

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 660 Section 660.10 General Definitions</b>
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**TITLE 86: REVENUE**

**PART 660  
TOBACCO PRODUCTS TAX ACT OF 1995**

**Section 660.10 General Definitions**

"Act" means the Tobacco Products Tax Act of 1995.

*"Distributor" means any of the following:*

*Any manufacturer or wholesaler in this State engaged in the business of selling tobacco products who sells, exchanges, or distributes tobacco products to retailers or consumers in this State.*

*Any manufacturer or wholesaler engaged in the business of selling tobacco products from without this State who sells, exchanges, distributes, ships, or transports tobacco products to retailers or consumers located in this State, so long as that manufacturer or wholesaler has or maintains within this State, directly or by subsidiary, an office, sales house, or other place of business, or any agent or other representative operating within this State under the authority of the person or subsidiary, irrespective of whether the place of business or agent or other representative is located here permanently or temporarily.*

*Any retailer who receives tobacco products on which the tax has not been or will not be paid by a distributor. (Section 10-5 of the Act) Such retailers may include the following:*

A retailer who purchases tobacco products for delivery outside of Illinois. Such retailer may elect to register with the Department thereby enabling him or her to provide his or her distributors with a blanket Certificate of Resale. See Section 660.30(f) (Exempt Sales). The retailer must then report and pay tax on those tobacco products he or she sells in Illinois. If the retailer is able to calculate the percentage of tobacco products that he or she will sell to consumers, such retailer may pay his or her supplier for those taxable sales.

A retailer who purchases from an out-of-State distributor, which has no nexus with Illinois and is therefore not registered with the Department. This retailer must therefore register with the Department and remit tax on sales to Illinois consumers.

*Distributor does not include any person who makes, manufactures, or fabricates tobacco products as a part of a Correctional Industries program for sale to residents incarcerated in penal institutions or resident patients of a State operated mental health facility. (Section 10-5 of the Act) A Correctional Industries program is a program that*

employs committed persons confined in institutions and facilities of the Illinois Department of Corrections to make, manufacture, or fabricate tobacco products for sale to residents incarcerated in penal institutions or resident patients of a State operated mental health facility.

*"Manufacturer" means any person who manufactures and sells tobacco products, except a person who makes, manufactures, or fabricates tobacco products as a part of a Correctional Industries program for sale to residents incarcerated in penal institutions or resident patients of a State operated mental health facility. (Section 10-5 of the Act)*

*"Retailer" means any person in this State engaged in the business of selling tobacco products to consumers in this State, regardless of quantity or number of sales. (Section 10-5 of the Act)*

*"Sale" means any transfer, exchange, or barter in any manner or by any means whatsoever for a consideration and includes all sales made by persons. (Section 10-5 of the Act)*

*"Tobacco products" means any cigars; cheroots; stogies; periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff or snuff flour; cavendish; plug and twist tobacco; fine-cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings, and sweeping of tobacco; and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking; but does not include cigarettes or tobacco purchased for the manufacture of cigarettes by cigarette distributors and manufacturers defined in the Cigarette Tax Act and persons who make, manufacture, or fabricate cigarettes as a part of a Correctional Industries program for sale to residents incarcerated in penal institutions or resident patients of a State operated mental health facility. (Section 10-5 of the Act)*

*"Wholesale price" means the established list price for which a manufacturer sells tobacco products to a distributor, before the allowance of any discount, trade allowance, rebate, or other reduction. In the absence of such an established list price, the manufacturer's invoice price at which the manufacturer sells the tobacco product to unaffiliated distributors, before any discounts, trade allowances, rebates, or other reductions, shall be presumed to be the wholesale price. (Section 10-5 of the Act) The wholesale price of tobacco products is the established list price at the time of purchase, by the distributor who remits tax to the Department, of such tobacco products.*

*"Wholesaler" means any person who is engaged solely in making sales of tobacco products to others for resale or sales that are otherwise exempt from tax.*

(Source: Amended at 26 Ill. Reg. 13310, effective August 23, 2002)